

Members

Rep. William Bailey, Chairperson
Rep. Markt Lytle
Rep. James Buck
Rep. William Friend
Sen. Thomas Weatherwax
Sen. James Merritt
Sen. Katie Wolf
Sen. Samuel Smith, Jr.
Herschel Cook
David Butterfield
Richard P. Jones
Karen Large
William Goffinet
Mayor Howard Hatcher
James R. Murphy
Patricia French



LOCAL GOVERNMENT FINANCE STUDY COMMISSION

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Authority: P.L. 242-1997

MEETING MINUTES¹

Meeting Date: October 7, 1999
Meeting Time: 1:30 P.M.
Meeting Place: State House, 200 W. Washington St.,
Room 233
Meeting City: Indianapolis, Indiana
Meeting Number: 4

Members Present: Rep. William Bailey, Chair; Rep. Markt Lytle; Rep. James Buck;
Rep. William Friend; Sen. Thomas Weatherwax; Sen. Katie Wolf;
Karen Large; James R. Murphy.

Members Absent: Sen. James Merritt; Sen. Samuel Smith, Jr.; Herschel Cook;
David Butterfield; Richard P. Jones; William Goffinet;
Mayor Howard Hatcher; Patricia French.

Representative William Bailey, Chair, called the meeting to order shortly after 1:30 p.m. Representative Bailey explained that the meeting had been moved from the campus of Purdue University for logistic reasons.

Public Testimony

David Bottorff, Association of Indiana Counties (AIC), thanked the Commission for holding a recent meeting during the AIC annual conference. He spoke to the Commission on the subject of state-owned property and its effects on local taxes and resources. Mr. Bottorff remarked that state-owned property is removed from the property tax rolls, but that local government must still provide services such as police and rescue when summoned. He added that state parks constitute the biggest drain of the tax base, but their visitors are frequent users of local emergency services.

Mr. Bottorff provided copies of two exhibits to the Commission. The State of Indiana Real

¹Exhibits and other materials referenced in these minutes can be inspected and copied in the Legislative Information Center in Room 230 of the State House in Indianapolis, Indiana. Requests for copies may be mailed to the Legislative Information Center, Legislative Services Agency, 200 West Washington Street, Indianapolis, IN 46204-2789. A fee of \$0.15 per page and mailing costs will be charged for copies. These minutes are also available on the Internet at the General Assembly homepage. The URL address of the General Assembly homepage is <http://www.ai.org/legislative/>. No fee is charged for viewing, downloading, or printing minutes from the Internet.

Property Ownership Record (Exhibit 1) was compiled by the State Land Office and details the number of acres of land owned by the state in each county. Exhibit 2 is an information sheet describing the federal government's payment in lieu of taxes (PILT) program. This exhibit includes an accounting of the amount of PILT received by Indiana Counties in FY97 and FY98. Mr. Bottorff also provided a copy of written comments from Huntington County Councilman Larry Whinery (Exhibit 3), who was unable to attend the meeting in person.

Mr. Bottorff reminded the Commission that there had been a request in the past to charge one additional dollar at the gate of state parks, with the revenue going to local government. Representative Bailey asked about the economic impact of the park visitors on the community at large. Mr. Bottorff noted that each community should do an economic impact study to answer this question. Representative James Buck, Commission Member, opined that the parks must bring more money into the local community than is spent on the delivery of services.

Representative Markt Lytle, Commission Member, recalled that the Department of Natural Resources may have conducted economic impact studies on some of its properties. He added that home rule as it pertains to tourism taxes would benefit local government in areas with state parks. Representative Lytle observed that the current local innkeepers tax applies to state owned properties and that the Clifty Inn was the largest innkeepers tax payer in Madison County at one time.

Other Business

According to Representative Bill Friend, Commission Member, there seems to be a problem with some of the reporting dates associated with the state's newly enacted property tax credit for personal property up to \$12,500 of assessed value. County auditors and assessors must certify the assessed value of the property eligible for the credit to the State Tax Board by December 1. However, the assessment date for mobile homes that are not assessed as real property is January 15 of the year in which the tax is payable. Representative Friend suggested that the Commission might consider recommendation of a change in reporting dates.

Karen Large, Commission Member, indicated that counties might not receive 100% of the replacement credit from the state as a result of this problem. James Murphy, Commission Member, noted that it might be feasible to use the previous year's mobile home data for the report and then file a supplemental report at a later time to reconcile. Mr. Murphy added that the Commission might also consider a change in the assessment date for mobile homes. He also told the Commission that county auditors are required to prepare and send a complete tax statement to all taxpayers even if there is no tax due. Mr. Murphy suggested that a different form of notification to these "zero" taxpayers could be less costly.

Representative Bailey, acknowledging that there was not much time to consider a draft, suggested that the Commission could consider language to fix the date problem if it is presented at the October 20, 1999, Commission meeting.

After some discussion about logistics, the Commission decided to move the October 20, 1999, Commission meeting to the State House.

Representative Buck recalled that the Commission had previously discussed the matter of needing better compliance in correctly filling in the school corporation number on each Indiana individual income tax return. He noted that this information was needed to perform analyses on the income base of each school corporation. Representative Buck added that he didn't know what the Department of Revenue's status was on taking administrative action to improve compliance.

Representative Buck requested that the Commission send a letter to the Department of Revenue asking for information regarding the Department's current administrative authority and also asking if they need legislative action to proceed. Representative Bailey instructed staff to draft the letter.

There being no further business, Representative Bailey then adjourned the meeting at about 2:30 p.m.